

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6190-01
Bill No.: HB 2026
Subject: Education, Elementary and Secondary; Employees - Employers
Type: Original
Date: March 31, 2014

Bill Summary: This proposal would create the "Family Education Leave Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Other	(Unknown)	(Unknown)	(Unknown)
Colleges and Universities	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Other *	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds *	\$0	\$0	\$0

* Net of additional costs and additional revenues.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** do not anticipate any significant impact from this proposal; however, BAP officials noted there could be an impact for other state departments, particularly those who administer 24/7 institutions and to local governments.

Officials from the **Office of Administration - Division of Personnel (OA)** noted the proposed legislation would provide specific authorization for an employee to take up to eight hours of unpaid leave in an academic year to attend academic activities of their minor children, unless taking such leave would disrupt or cause unusual difficulty in the employer's business or endanger the public safety or welfare.

OA officials also noted appointing authorities currently have the discretion to approve unpaid leave for employees; therefore, this proposal would provide a benefit that may already be available to State employees. This legislation would, however, require appointing authorities to grant such leave to eligible State employees except for the situations noted above.

ASSUMPTION (continued)

OA officials assume this proposal would have some impact on the Personnel Advisory Board and the Division of Personnel. OA officials stated administrative rules regarding state employee leave would need to be updated to incorporate this type of absence, and OA would have to ensure agencies were made aware of this legislation.

OA officials assume if the proposed legislation were to pass, it could affect the scheduling of normal work activities and provide an additional timekeeping duty. Additional time off for state employees could result in a loss of productivity and/or cost in overtime to current employees who would be needed to cover job duties or shifts.

Officials from the **Department of Social Services (DOS)** assume this proposal could result in some additional cost to their organization in some situations where the employee's work period must be covered and overtime may be incurred for coverage of the employee's work period. DOSS officials stated it is not possible to determine how many staff may request this leave; however, as the leave without pay is limited to eight hours in a twelve-month period and leave could be denied based on disruption to business operations or if public safety or welfare was at risk, the fiscal impact is anticipated to be minimal.

Officials from the **Department of Corrections (DOC)** assume the proposal would allow parents to take eight (8) hours of unpaid leave in a school year to attend an academic activity for each of their minor children, and assume this would have an operational and fiscal impact on DOC.

DOC officials noted the majority of their custody staff work in positions that are essential and must be staffed at all times. DOC officials assume the Department may be required to pay another staff person to fill an essential position if a parent is on leave to attend a school function.

Officials from the **Department of Mental Health (DMH)** assume the proposed legislation could have a significant impact on the work schedules at DMH facilities, particularly the 24/7 facilities and group homes where regular attendance is absolutely critical and already problematic. DMH officials noted this proposal could increase existing problems with mandatory overtime and staff coverage issues at DMH facilities, and assume the budgetary challenges to meet the cost of existing overtime payments could be magnified.

DMH officials assume there would likely be an unknown fiscal impact from this proposal.

ASSUMPTION (continued)

Officials from **Missouri State University** assume there would be some administrative cost to their organization and some losses due to lost productivity of employees taking such leave.

Officials from the **Department of Revenue**, the **University of Central Missouri**, and **Northwest Missouri State University** assume this proposal would have minimal fiscal impact on their organizations.

Officials from the **University of Missouri** assume there would be some cost to their organization from lost work time although the University provides paid personal days and vacation that employees could use for their dependents' educational requirements.

Officials from the **City of Kansas City** assume there would be no loss to the city since their organization already has a more expansive education leave program.

Officials from the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Transportation**, **Linn State Technical College**, **Missouri Western State University**, **St. Louis County**, and the **St. Louis County Directors of Elections** assume this proposal would have no fiscal impact on their organizations.

Not responding

Officials from the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to our request for information.

ASSUMPTION (continued)

Officials from the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to our request for information.

Officials from the following school districts: Blue Springs, Branson, Charleston R-I, Cole R-I, Columbia, Fair Grove, Francis Howell, Fulton, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to our request for information.

Officials from the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Kansas City Metro Community College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, and Truman State University did not respond to our request for information.

Oversight assumes this proposal would result in some level of additional cost to the state government and to local governments since certain government operations and functions are required to be staffed full time regardless of the availability of individual employees. Unless there is additional staff available on a rotation basis to replace an employee who is on leave, overtime payments are likely to be required to cover the position during the employee's leave.

Oversight has no information to support an estimate of such overtime cost and will include an unknown cost to the General Revenue Fund, other state funds, colleges and universities, and local governments for this proposal.

ASSUMPTION (continued)

Oversight will indicate an unknown additional cost for overtime payments from federal funds but assumes there would be no net cost to the state for those overtime payments since such additional costs would be offset by additional federal funds earned.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Cost</u> - state agencies			
Overtime			
Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
OTHER STATE FUNDS			
<u>Cost</u> - state agencies			
Overtime			
Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATE NET EFFECT ON OTHER STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
COLLEGES AND UNIVERSITIES			
<u>Cost</u> - Colleges and Universities			
Overtime			
Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - State Government
 (Continued)

FY 2015
 (10 Mo.)

FY 2016

FY 2017

OTHER FEDERAL FUNDS

Additional revenue - state agencies

Overtime

Section 160.940

Unknown

Unknown

Unknown

Cost - state agencies

Overtime

Section 160.940

(Unknown)

(Unknown)

(Unknown)

**ESTIMATE NET EFFECT ON
 OTHER FEDERAL FUNDS**

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2015
 (10 Mo.)

FY 2016

FY 2017

LOCAL GOVERNMENTS

Cost - local governments

Overtime

Section 160.940

(Unknown)

(Unknown)

(Unknown)

**ESTIMATE NET EFFECT ON
 LOCAL GOVERNMENTS**

(Unknown)

(Unknown)

(Unknown)

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which would need to provide a substitute for an employee who is on leave.

FISCAL DESCRIPTION

This proposal would provide specific authorization for an employee to take up to eight hours of unpaid leave in an academic year to attend academic activities of their minor children, unless taking such leave would disrupt or cause unusual difficulty in the employer's business or endanger the public safety or welfare.

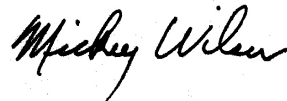
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
 Division of Personnel
Department of Corrections
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health

SOURCES OF INFORMATION (continued)

Department of Revenue
Department of Social Services
Department of Transportation
Linn State Technical College
Missouri State University
Missouri Western State University
Northwest Missouri State University
University of Central Missouri
University of Missouri
St. Louis County
City of Kansas City
St. Louis County Directors of Elections



Mickey Wilson, CPA
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March 31, 2014

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March 31, 2014